# Message Text

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**ACTION EA-10** 

INFO OCT-01 EUR-12 ISO-00 AID-05 EB-04 PM-03 INR-05 IO-10

L-02 NSAE-00 NSC-05 PA-01 RSC-01 DPW-01 PRS-01 OMB-01

SS-15 SSO-00 INRE-00 /077 W

----- 090013

OR 131035Z NOV 74

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC IMMEDIATE 0277

INFO AMEMBASSY BANGKOK

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMEMBASSY JAKARTA

AMCONSUL NHA TRANG

AMEMBASSY PARIS

AMEMBASSY SEOUL

AMEMBASSY TOKYO

USIA WASHDC

USDEL JEC PARIS

CIA

DIA

ics

JUSMAAG

WHITE HOUSE

USAJFKCMA/ATCS-WL-DSA

CINCPAC

CINCPACAF

CINCPACFLT

CINCUSARPAC

DEPCHIEF JUSMAAG UDORN

USDAO/SAIGON

AMEMBASSY LONDON

AMEMBASSY BUDAPEST

AMEMBASSY CANBERRA

AMEMBASSY MANILA

AMEMBASSY MOSCOW

AMEMBASSY PHNOM PENH

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AMEMBASSY STOCKHOLM

AMEMBASSY VIENTIANE AMEMBASSY WARSAW AMEMBASSY WELLINGTON

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CINCPAC FOR POLAD

E.O. 11652: GDS

TAGS: PINT PFOR ECON VS

SUBJ: EMBASSY SAIGON'S MISSION WEEKLY FOR NOV 7-13, 1974

DEPARTMENT ALSO PASS IMMEDIATE IBS/NCA

WEEKA ITEMS

- --THE CEASEFIRE
- --LOWER HOUSE DEPUTIES BLOCKADE HOUSE OFFICES
- --REPORTS OF PRC-GVN CONFRONTATION NEAR PECTEN OIL RIG UNTRUE
- --GVN AUTHORITIES WARN AGAINST DEMONSTRATIONS AND "ILLEGALLY PRINTED" MATERIAL
- --PRESIDENT THIEU RENEWS OFFER TO ESTABLISH RELATIONS WITH COMMUNIST COUNTRIES; HITS FRENCH FOR ALLEGED THIRD FORCE SUPPORT
- --PACM ATTEMPTS TO ADD NEW DIMENSION TO BINH TUY INCIDENT
- --OPPOSITION LEGISLATORS CALL FOR PRESIDENT THIEU'S RESIGNATION
- --PACM MOVES ALONG; NO APPARENT PROGRESS TOWARDS COOPERATION WITH AN QUANG
- --GVN CALLS FOR RESUMPTION OF NEGOTIATIONS
- --US SUPPORTS GVN CALL FOR NEGOTIATIONS CONFIDENTIAL

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- --DOMESTIC TAX RECEIPTS UP IN OCTOBER
- --PRICES INCH UP
- --GOLD QUOTES UP SHARPLY

I. INTERNAL

### A. THE CEASEFIRE

THE GENERALLY MODERATE TO LOW LEVEL OF MILITARY ACTITIVY CONTINUED THROUGHOUT THREE OF THE FOUR MILITARY REGIONS THIS WEEK. MR-4, HOWEVER, SAW A 200 PERCENT INCREASE IN INCIDENTS. CASUALTIES FOLLOWED A SIMILAR PATTERN, AND WERE ABOUT THE SAME OR DOWN SLIGHTLY EXCEPT FOR THE DELTA, WHERE THE INCREASE ON BOTH SIDES WAS OVER 100 PERCENT. THE MOST SIGNIFICANT NEW PLUS FOR THE GVN INVOLVED THE RETAKING OF HILL 1062 IN CENTRAL QUANG NAM PROVINCE OF MR-1 BY AIRBORNE UNITS NOV 9. THE COMMUNISTS ARE PRESSING COUNTER ATTACKS AGAINST THE HILL, BUT THE GVN IS HOLDING THE POSITION.

THE BATTLE FOR MO TAU MOUNTAIN IN MR-1 HAS CONTINUED THROUGH ANOTHER WEEK. THE FIGHTING HAS BEEN SUSTAINED, AND AT TIMES HEAVY, BUT GVN EFFORTS HAVE STILL NOT MET WITH SUCCESS. THE OTHER NOTEWORTHY ACTIVITY NORTH OF THE HAI VAN PASS INVOLVED TWO UNSUCCESSFUL COMMUNIST SAPPER ATTEMPTS TO BLOW UP AN AMMUNITION STORAGE AREA NEAR PHU BAI AIRBASE. THERE WERE TWO ATTACKS IN THE BINH SON AREA OF QUANG NGAI, WHICH MAY FORESHADOW A COMMUNIST INTENTION TO FOCUS ON THIS AREA. SIXTY-SEVEN CIVILIANS WERE ABDUCTED IN THE QUANG NGAI CITY AREA OVER NOV 9 AND 10, WHILE FOUR CULVERTS ON QL 1 WERE DAMAGED NOV 11 AND 12 WITH SOME INTERRUPTION IN TRAFFIC. IT WAS GENERALLY A LIGHT WEEK IN MR-2. IT COULD ALMOST BE DESCRIBED AS AN INTERMISSION FOR THE OPPOSING FORCES WHILE THE WEATHER SCENE CHANGES, WITH THE MONSOON MOVING TO THE COAST AND THE HIGHLANDS BEGINNING TO DRY OUT. THE COMMUNIST EFFORT TO MOVE ARVN FROM A COMMANDING POSITION OVER THE AN LAO VALLEY NVA RESUPPLY ROUTE IS STILL THE BIG FIGHT IN MR-2. BUT ITS INTENSITY LESSENED THIS WEEK. KONTUM SECTOR INTEL-LIGENCE HAS PICKED UP REPORTS THAT THE 40TH NVA ARTILLERY CONFIDENTIAL

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REGIMENT HAS MOVED TO A POSITION WITHIN RANGE OF KONTUM CITY. LOC HARASSMENT AND INTERDICTION CONTINUED TO BE A COMMUNIST TARGET DURING THE PERIOD, DURING WHICH QL 19 IN BINH DINH AND QL 21 IN NINH HOA WERE ATTACKED. THE FORMER IS STILL INTERDICTED WEST OF BINH KHE. FINALLY, A VC SAPPER TEAM EARLY THE MORNING OF NOV 13 BLEW UP THE WATER PIPELINE WHICH RUNS FROM THE RESERVOIR IN TUYEN DUC PROVINCE TO THE DA NHIM ELECTRIC POWER PLANT IN NINH THUAN PROVINCE. ATTACKS AGAINST THE ELECTRIC POWER LINES RUNNING SOUTHWARD TOWARD SAIGON HAVE BEEN FAIRLY COMMONPLACE OVER THE PAST SEVERAL MONTHS AND ONE ATTACK WAS MADE RECENTLY AGAINST THE LINE IN NINH THUAN. HOWEVER, THIS IS THE FIRST TIME THAT THE PIPELINE ITSELF HAS BEEN DAMAGED.

THINGS WERE REASONABLY QUIET IN MR-3, WITH THE COM-

MUNISTS CONTINUING THEIR TRINITY OF TERRORISM, SAPPER ATTACKS AND LIGHT SHELLING. BINH DUONG, YET AGAIN THE MOST ACTIVE PROVINCE, WAS THE SCENE OF MORE AND FIERCER GROUND

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L-02 NSAE-00 NSC-05 PA-01 RSC-01 DPW-01 PRS-01 OMB-01

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CINCPAC

CINCPACAF

CINCPACFLT

CINCUSARPAC

DEPCHIEF JUSMAAG UDORN

USDAO/SAIGON

AMEMBASSY LONDON

AMEMBASSY BUDAPEST

AMEMBASSY CANBERRA

AMEMBASSY MANILA AMEMBASSY MOSCOW AMEMBASSY PHNOM PENH CONFIDENTIAL

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AMEMBASSY STOCKHOLM AMEMBASSY VIENTIANE AMEMBASSY WARSAW AMEMBASSY WELLINGTON

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CINCPAC FOR POLAD
DEPARTMENT ALSO PASS IMMEDIATE IBS/NCA

FIGHTING, THAN HAS BEEN ITS NORM RECENTLY, WITH SEVERAL COMPANY-SIZE BATTLES. COMMUNIST SAPPER AND TERRORIST EFFORTS WERE AGAIN PREVALENT IN GIA DINH. HOWEVER, ONE SAPPER EFFORT TO BLOW UP THE LON BRIDGE IN GIA DINH, AS WELL AS AN ATTEMPT TO BLOW UP A POLICE HQ AND ANOTHER ATTEMPT TO BLOW UP A BRIDGE IN LONG AN PROVINCE WERE THWARTED.

ACTIVITY WAS MARKEDLY HIGHER THIS WEEK IN THE DELTA, WITH VINH LONG PROVINCE PARTICULARLY HARD HIT. ALTHOUGH ACTIVITY GENERALLY IN THE NORTHERN DELTA WAS MODERATE, GIAO DUC DISTRICT TOWN IN DINH TUONG CAME UNDER HEAVY FIRE FOR THE SECOND TIME IN SIX WEEKS. KIEN PHONG PROVINCE WAS INACTIVE THIS WEEK, BUT SECTOR INTELLIGENCE ANTICIPATES A SURGE IN THE VERY NEAR FUTURE. EASTERN KIEN TUONG PROVINCE SAW ADDITIONAL KIDNAPPINGS, AN OCCURENCE THAT IS BECOMING MORE PREVALENT THERE. VINH LONG IN THE CENTRAL DELTA HAD ITS GREATEST NUMBER OF INCIDENTS SINCE THE CEASEFIRE, WITH THE COST HIGH TO THE GVN IN BOTH CASUALTIES AND TERRITORIAL SECURITY. MANY OUTPOSTS AND WATCHTOWERS WERE ABANDONED OR OVERRUN, AND A NUMBER OF PROVINCE AND DISTRICT ROADS WERE INTERDICTED. ARVN 7TH DIVISION TROOPS HAVE BEEN MOVED IN AS SUPPORT FOR LOCAL FORCES. IN CONTRAST KIEN HOA PROVINCE WAS ESSENTIALLY INACTIVE WITH COMMUNIST FIRE NUMBERING FOUR OR LESS ROUNDS IN THE INCIDENTS THAT OCCURRED THERE. SECTOR CONCLUDES THERE MAY BE A COMMUNIST SUPPLY PROBLEM. INCIDENTS IN THE SOUTHERN DELTA PROVINCE OF BA XUYEN WERE HIGHER, AND IN AN XUYEN - THE SOUTHERNMOST PROVINCE - MARKEDLY SO.

B. LOWER HOUSE DEPUTIES BLOCKADE HOUSE OFFICES

A SMALL GROUP OF OPPOSITION DEPUTIES SET UP A CONFIDENTIAL

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PHYSICAL BLOCKADE OF THE LOWER HOUSE OFFICES DURING THE PERIOD NOV 6-8 IN PROTEST AGAINST THE ROUGHING UP OF TWO LEGISLATORS, DO SINH TU AND DINH XUAN DUNG, DURING ANTI-GOVERNMENT DEMONSTRATIONS OCT 31.

THE PROTESTORS HANDED A NOTE TO HOUSE CHAIRMAN NGUYEN BA CAN REQUESTING THAT THE GOVERNMENT APOLOGIZE FOR "HARRASSMENT" OF THE TWO INJURED DEPUTIES. IN REPLY TO AN IQUIRY FROM CHAIRMAN CAN, PRIME MINISTER TRAN THIEN KHIEM REPLIED THAT THE GOVERNMENT HAD ORDERED AN INVESTIGATION OF THE CASE AND THAT SECURITY PROTECTION WOULD BE INCREASED FOR LOWER HOUSE DEPUTIES. ALTHOUGH THE GOVERNMENT DID NOT ISSUE AN OFFICIAL APOLOGY THE PROTESTORS, LED BY DEPUTY TRAN VAN TUYEN, HEAD OF THE PEOPLE'S SOCIETY BLOC, "TEMPORARILY" LIFTED THEIR BLOCKADE "TO SHOW GOODWILL PENDING RESULTS OF THE INVESTIGATION THE GOVERNMENT HAS PLEDGED TO CONDUCT."

## C. REPORTS OF PRC-GVN CONFRONTATION NEAR PECTEN OIL RIG UNTRUE

UPI STORY OF NOV 9 CARRIED IN BANNER HEADLINES IN SAIGON POST, REPORTED THAT SVN HAD RUSHED A FLOTILLA OF WARSHIPS TO AN AMERICAN-OWNED (PECTEN) OFFSHORE DRILLING RIG 200 MILES SOUTH OF VUNG TAU WHICH WAS UNDER INTENSE OBSERVATION BY COMMUNIST CHINESE TRAWLERS.

EMBASSY INVESTIGATION, WHICH INCLUDED CHECKS WITH THE DIRECTOR OF SVN NAVAL INTELLIGENCE AND WITH PECTEN, DISCLOSED THAT THERE WAS NO SUBSTANCE TO THE STORY. THERE MAY HAVE BEEN CHINESE TRAWLERS IN THE GENERAL AREA OF THE RIG, BUT NONE OF THEM PASSED CLOSER THAN FOUR MILES OF IT, NOR IS THE PRESENCE OF SUCH TRAWLERS UNCOMMON IN THAT PART OF THE CHINA SEA. GVN PRESS SPOKESMAN NOV 11 DENIED THAT SVN NAVAL CRAFT HAD BEEN SENT TO THE AREA AROUND THE PECTEN DRILLING SITE. HE ADDED THAT HE HAD NO CONFIRMED REPORTS OF ANY CHINESE FISHING TRAWLERS BEING SIGHTED NEARBY.

D. GVN AUTHORITIES WARN AGAINST DEMONSTRATIONS AND "ILLEGALLY PRINTED" MATERIAL

THE MINISTRY OF THE INTERIOR NOV 6 RE-RELEASED A CONFIDENTIAL

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COMMUNIQUE ORIGINALLY ISSUED ON OCT 2, 1974, "REMINDING OUR COMPATRIOTS THAT ALL DEMONSTRATIONS (AND) MEETINGS DETRIMENTAL TO PUBLIC SECURITY AND ORDER ARE FORBIDDEN..." THE MINISTRY STATEMENT, AFTER CITING TWO DECREES AND TWO DECREE LAWS FORBIDDING SUCH DEMONSTRATIONS, REFERRED TO

RECENT DEMONSTRATIONS AND ALSO NOTED "THE COMMUNISTS HAVE ADVOCATED THE INFILTRATION OF THEIR CADRES INTO MEETINGS AND DEMONSTRATIONS...WITH THE PURPOSE OF SOWING DISSENSION BETWEEN THE GOVERNMENT AND THE PEOPLE." THE MINISTRY URGED CITIZENS TO "STAND ASIDE FROM" SUCH DEMONSTRATIONS AND MEETINGS "IN ORDER TO AVOID BEING LEGALLY IMPLICATED AND (TO AVOID) INCURRING THE REGRETFUL CONSEQUENCES CAUSED BY COMMUNIST SABOTAGE ACTIVITIES."

ON THE SAME DAY, THE SAIGON SPECIAL ZONE COMMAND WARNED IN A COMMUNIQUE THAT "PERSONS GUILTY OF PUBLICATION, POSSESSION, OR CIRCULATION OF ILLEGALLY PRINTED MATTER" WOULD BE SUBJECT TO PROSECUTION IN A MILITARY FIELD COURT BECAUSE SUCH MATERIALS WERE DEEMED TO BE "DETRIMENTAL TO NATIONAL SECURITY AND PUBLIC ORDER."

E. PRES. THIEU RENEWS OFFER TO ESTABLISH RELATIONS WITH COMMUNIST COUNTRIES; HITS FRENCH FOR ALLEGED THIRD FORCE SUPPORT

PRES. THIEU MADE TWO SPEECHES DURING THE WEEK, ONE ON NOV 9 BEFORE THE NATIONAL PUBLIC PROSECUTOR CONVENTION AND ANOTHER ON NOV 12 TO MINISTRY OF INFORMATION AND CHIEU HOI CADRE.

NOTEWORTHY IN THIEU'S SPEECH BEFORE THE PROSECUTORS WERE HIS STATEMENT OF WILLINGNESS TO ESTABLISH DIPLOMATIC RELATIONS WITH RUSSIA, RED CHINA, AND EVEN NORTH VIETNAM IF THOSE COUNTRIES DO NOT INTERVENE IN SOUTH VIETNAM'S INTERNAL AFFAIRS, AND HIS ATTACK ON THE "OLD FRENCH COLONIALISTS" WHO HE ALLEGED HAD ACTED IN COLLUSION WITH THE COMMUNISTS TO PARTITION VIETNAM THROUGH THE 1954 GENEVA AGREEMENT AND

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AMCONSUL NHA TRANG

AMEMBASSY PARIS

AMEMBASSY SEOUL

AMEMBASSY TOKYO

USIA WASHDC

USDEL JEC PARIS

CIA

DIA

**JCS** 

JUSMAAG

WHITE HOUSE

USAJFKCMA/ATCS-WL-DSA

CINCPAC

CINCPACAF

CINCPACFLT

CINCUSARPAC

DEPCHIEF JUSMAAG UDORN

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AMEMBASSY STOCKHOLM

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DEPARTMENT ALSO PASS IMMEDIATE IBS/NCA

ARE NOW SUPPORTING THE FORMATION OF THE SO-CALLED THIRD FORCE. THE PRESIDENT'S NOV 12 REMARKS, WHICH LASTED OVER AN HOUR, HIT THE FRENCH EVEN HARDER.

F. PACM ATTEMPTS TO ADD NEW DIMENSION TO BINH TUY INCIDENT

ALMOST IMMEDIATELY FOLLOWING THE DISCLOSURE OF THE LAND

DISPUTE INCIDENT AT CHINH TAM III IN BINH TUY PROVINCE (SAIGON 13989, 13881), THE LEADERS OF THE PEOPLE'S ANTI-CORRUPTION MOVEMENT WERE REPORTEDLY CHARACTERIZING THE INCIDENT AS A CASE OF POLICE REPRESSION OF AN ANTI-CORRPUTION DEMONSTRATION AT THE HAMLET, AND DEMANDING THAT PRESIDENT THIEU PUNISH THOSE RESPONSIBLE.

ACCORDING TO THE BINH TUY PROVINCE REPRESENTATIVE, A GROUP OF CATHOLIC PRIESTS FROM THE AREA WHO HAVE BEEN AIDING BOTH PARTIES IN REACHING AN AMICABLE SETTLEMENT HAVE SIGNED A STATEMENT THAT THE INCIDENT RESULTED FROM A LAND DISPUTE AND NOT FROM POLICE REPRESSION OF A POLITICAL DEMONSTRATION.

IN ADDITION TO ALLEGATIONS THAT THE INCIDENT WAS AN EXAMPLE OF POLICE REPRESSION, PACM REPORTEDLY HAS CLAIMED THAT THE POLICE WERE RESPONSIBLE FOR THE DEATH OF ONE NGUYEN VAN CUONG, THE INJURIES OF FIVE OTHERS, THE SMASHING OF A STATUE OF THE VIRGIN MARY, AND BURNING DOWN A HOME, AND HAS DEMANDED THAT THE GOVT MAKE RESTITUTION.

CONGEN BIEN HOA REPORTS THAT THE PROVINCE CHIEF CLAIMS
TO HAVE PROOF THAT THE YOUTH SUPPOSEDLY KILLED DURING THE
CONFRONTATION ACTUALLY DIED THREE DAYS BEFORE, AND WAS EXHUMED
AND PRODUCED AS AN EXAMPLE OF POLICE BRUTALITY. THE PROVINCE
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CHIEF WENT ON TO REPORT THAT HE HAS PROOF THAT THE HOUSE WAS ACTUALLY BURNED FOLLOWING THE INCIDENT. THE CONGEN ALSO REPORTS THAT THERE ARE SAID TO BE WITNESSES WHO CLAIM THE STATUE WAS BROKEN WHEN IT WAS THROWN AT THE POLICE.

CONGEN BIEN HOA GOES ON TO REPORT THAT, WHILE THE SITUATION REMAINS TENSE, THE GROUP OF PRIESTS SERVING AS MODERATORS IN THE DISPUTE HAS REPORTEDLY SECURED AN AGREEMENT BETWEEN THE PARTIES AND THE SITUATION IS IMPROVING. NONE-THELESS, PACM REPORTEDLY STILL PLACES FULL BLAME FOR THE INCIDENT ON THE GVN, AND IS UNCOMPROMISING IN THIS REGARD.

G. OPPOSITION LEGISLATORS CALL FOR PRESIDENT THIEU'S RESIGNATION

A GROUP OF FORTY FIVE SENATORS AND DEPUTIES ISSUED A "RESOLUTION" ON NOV 13 CALLING ON PRES. THIEU TO RESIGN AND IMMEDIATELY HOLD A GENERAL ELECTION SO THAT "THE PEOPLE CAN FREELY CHOOSE A WORTHY LEADER IN THIS HISTORIC PERIOD AND SITUATION". THE GROUP INCLUDES SENATOR VU VAN MAU, NATIONAL RECONCILIATION FORCE LEADER; SENATOR TON THAT DINH; SENATOR LE CHAU LOC; DEPUTY NGUYEN VAN HAM, LEADER OF THE ANTIFAMINE FRONT; DEPUTY TRAN VAN TUYEN, PEOPLE'S SOCIETY BLOC LEADER; AND DEPUTY NGUYEN VAN BINH, PRESS FREEDOM LEADER.

THE RESOLUTION HAS A NUMBER OF PREAMBULAR PARAGRAPHS CITING ALLEGED LOSS OF CONFIDENCE OF PRESIDENT THIEU AND A "DOWNRIGHT STALEMATE IN THE ECONOMIC, FINANCIAL, SOCIAL, AND POLITICAL FIELDS". THERE HAVE BEEN REPORTS DURING THE PAST TWO WEEKS THAT SUCH A RESOLUTION WAS CIRCULATING AMONG MEMBERS OF BOTH HOUSES OF THE LEGISLATURE.

H. PACM MOVES ALONG; NO APPARENT PROGRESS TOWARDS COOPERATION WITH AN QUANG

FATHER TRAN HUU THANH, LEADER OF THE PEOPLE'S ANTI-CORRUPTION MOVEMENT, ANNOUNCED NOV 8 THAT PACM WOULD BEGIN A WEEK OF "NON-VIOLENT STRUGGLE" NOV 10. THANH ANNOUNCED THAT THE WEEK'S ACTIVITIES WOULD CONSIST OF A SERIES OF MASS PRAYERS HELD IN VARIOUS PLACES OF WORSHIP "FOR PEACE AND THE VICTIMS OF RECENT GOVERNMENT REPRESSION." THE CONFIDENTIAL

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MEETINGS HELD SO FAR HAVE BEEN PEACEFUL. POLICE SURVEIL-LANCE HAS BEEN HEAVY, BUT THE POLICE HAVE MADE NO ATTEMPTS TO INTERFERE IN THE MEETINGS.

A CENTRAL THEME OF FATHER THANH'S PRESENTATIONS HAS BEEN TO ATTACK PRESIDENT THIEU'S RECENT CONDEMNATION OF HIS POLITICAL OPPONENTS. FOLLOWING THE LATEST RALLY, THANH TOLD NEWSMEN THAT PRESIDENT THIEU, NOT THE OPPOSITION, WAS SELLING OUT THE COUNTRY. HE WENT ON TO STATE THAT THE PRESENT "ROTTEN", INCOMPETENT, GOVERNMENT WILL LOSE TO THE COMMUNISTS WITHIN FIVE OR SIX MONTHS."

AS FOR MOVEMENT TOWARDS THE GOAL OF COOPERATION BETWEEN PACM AND AN QUANG, THERE SEEMS TO HAVE BEEN LITTLE IF ANY. OFFICIAL AN QUANG PARTICIPATION IN PACM'S MASS PRAYER MEETINGS, CITED BY THE NEWSPAPERS AS A PROBABILITY, HAS NOT MATERIALIZED, ALTHOUGH WE UNDERSTAND THAT SOME BUDDHISTS HAVE ATTENDED AS PRIVATE INDIVIDUALS. DEPUTY NGUYEN TRONG NHO, A BUDDHIST WHO IS ON PACM'S CENTRAL EXECUTIVE COMMITTEE AND WHO IS PUSHING COOPERATION BETWEEN PACM AND THE AN QUANG LEADERSHIP, INDICATED TO US NOV 13 THAT PROGRESS TOWARD COOPERATION HAS NOT BEEN AS SUBSTANTIAL AS HE WOULD LIKE. HE SAID, FOR EXAMPLE, THAT NEWSPAPER REPORTS DESCRIBING A VISIT BY HIM AND OTHER PACM OFFICIALS TO AN QUANG HIGH SECULAR COUNCIL RECTOR THICH TRI THU WERE MISTAKEN: HIS GROUP HAD GONE TO AN QUANG, HE SAID, ONLY TO ATTEND A CEREMONY.

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AMEMBASSY STOCKHOLM AMEMBASSY VIENTIANE AMEMBASSY WARSAW AMEMBASSY WELLINGTON

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CINCPAC FOR POLAD
DEPARTMENT ALSO PASS IMMEDIATE IBS/NCA

II. EXTERNAL

A. GVN CALLS FOR RESUMPTION OF NEGOTIATIONS

- 1. FOREIGN MINISTER VUONG VAN BAC NOVEMBER 7 READ BEFORE THE ASSEMBLED DIPLOMATIC CORPS A GVN DECLARATION REJECTING RECENT COMMUNIST CALLS FOR THE OVERTHROW OF PRESIDENT THIEU AS A PREREQUISITE FOR NEGOTIATIONS, AND DEMANDING THAT DRV AND "PRG" RETURN TO NEGOTIATIONS IN PARIS AND SAIGON.
- 2. DECLARATION TERMED COMMUNIST DEMAND FOR THIEU'S OVER-THROW BEFORE THEY WILL NEGOTIATE MADE IN OCT. 8 "PRG" STATEMENT "A NEW AND VERY GRAVE ESCALATION BY THE COMMUNIST SIDE IN THEIR SCHEME OF COMPLETELY, UNCEASINGLY AND SYSTEMATICALLY SABOTAGING THE PARIS AGREEMENT...THUS ADVOCATING THE USE OF FORCE IN LIEU OF THE PRINCIPLE OF RECONCILIATION AND CONCORD PRESCRIBED BY THE AGREEMENT." DECLARATION NOTED THAT "THE COMMUNIST SIDE CANNOT SHIRK THEIR RESPONSIBILITY OF SABOTAGING THE AGREEMENT BY THEIR USUAL FALLACIOUS ARGUMENTS AND FALSE ALLEGATIONS ABOUT THE RVN GOVERNMENT'S GOOD WILL FOR PEACE AND DETERMINATION TO STRICTLY IMPLEMENT THE PARIS AGREEMENT."
- 3. AFTER BRIEFLY MENTIONING COMMUNIST CEASE-FIRE VIOLATIONS, NON-COOPERATION WITH THE ICCS, ILLEGAL INFILTRATION OF TROOPS AND EQUIPMENT, CONTINUED DETENTION OF GVN MILITARY AND CIVILIAN PERSONNEL, AND WITHDRAWAL FROM NEGOTIATIONS, DECLARATION STATED "THE GOVERNMENT AND PEOPLE OF THE REPUBLIC OF VIETNAM DEMAND THAT THE COMMUNIST SIDE RETURN TO THE NEGOTIATIONS AT LA CELLE SAINT CLOUD AND IN SAIGON, WITHOUT ANY PRECONDITION, AS PRESCRIBED IN THE PARIS AGREEMENT CONFIDENTIAL

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OF JANUARY 27, 1973".

4. (AS REPORTED MORE FULLY ELSEWHERE, DRV AND "PRG" HAVE DISMISSED THIS CALL FOR UNCONDITIONAL RESUMPTION OF NEGOTIATIONS AS A "TRICK" TO DECEIVE PUBLIC OPINION AND TO CONCEAL THE "TRUTH" THAT IT IS PRESIDENT THIEU WHO SABOTAGES THE

# AGREEMENT AND "MUST BE OVERTHROWN".)

### B. US SUPPORTS GVN CALL FOR NEGOTIATIONS

STATE DEPARTMENT SPOKESMAN NOV 7 TERMED GVN PROPOSAL "HELPFUL TO THE CAUSE OF PEACE" AND STATED "WE THEREFORE SUPPORT THIS CALL BY THE VIETNAMESE GOVERNMENT AND HOPE THAT ALL PARTICIPANTS WILL RETURN TO THE CONFERENCE TABLE AS PROVIDED IN THE PARIS AGREEMENT".

END CONFIDENTIAL

BEGIN UNCLASSIFIED

III. ECONOMIC

# A. DOMESTIC TAX RECEIPTS UP IN OCTOBER

DIRECTORATE GENERAL OF TAXATION RECEIPTS AMOUNTED TO VN\$23.6 BILLION IN OCTOBER COMPARED TO VN\$17.4 BILLION AND VN\$16.3 BILLION IN AUGUST AND SEPTEMBER RESPECTFULLY. ALL CATEGORIES OF RECEIPTS SHOWED IMPROVEMENT OVER THE PREVIOUS MONTH, THE MOST NOTABLE BEING THE CORPORATE INCOME TAX WHICH YIELDED VN\$3.6 BILLION COMPARED TO VN\$1.9 BILLION IN SEPTEMBER. SPECIAL CONSUMPTION TAX RECEIPTS WERE VN\$11.4 BILLION BUT THESE INCLUDED VN\$2.4 BILLION IN LATE PAYMENTS WHICH SHOULD HAVE BEEN MADE IN SEPTEMBER. ADJUSTED TOTALS FOR THE PAST THREE MONTHS WOULD THEREFORE BE VN\$17.4 BILLION, VN\$19.7 BILLION, AND VN\$21.1 BILLION. RECEIPTS FOR THE PERIOD JANUARY - OCTOBER HAVE TOTALLED VN\$212.3 BILLION, 57.4 PERCENT ABOVE THE SAME PERIOD OF 1973. IN REAL TERMS, AFTER ALLOWANCE FOR PRICE INFLATION, COLLECTIONS WERE DOWN BY 1.5 PERCENT.

B. PRICES INCH UP

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USAID'S CONSUMER PRICE INDEX FOR SAIGON EDGED UP 0.3
PERCENT DURING THE WEEK ENDING NOVEMBER 11. THE FOOD CATEGORY
ROSE 0.4 PERCENT, AS VEGETABLES, SUGAR AND NUOC MAM INCREASES
OFFSET A SEASONAL DECLINE IN FISH PRICES. AMONG NON-FOOD ITEMS,
LAUNDRY SOAP WAS UP SLIGHTLY. THE OVERALL INDEX REMAINS 1.0
PERCENT BELOW THE LEVEL OF TWO MONTHS AGO; IT HAS RISEN 36.6
PERCENT FOR THE YEAR TO DATE.

C. GOLD QUOTES UP SHARPLY

SAIGON GOLD PRICES ROSE BY ALMOST \$15 TO 167.12/OUNCE AS OF NOVEMBER 11. THE COMPARES WITH A \$10 INCREASE IN HONG KONG OVER APPROXIMATELY THE SAME PERIOD, TO \$177.11. THUS,

THE SAIGON/HONG KONG GOLD DISCOUNT NARROWED FROM 10 PERCENT TO 6 PERCENT. A SPOT CHECK ON NOVEMBER 12 HEVEALED THAT GOLD FFPFS HERE HAD CONTINUED RISING TO OVER \$170/OUNCE. MEANWHILE, BLACK MARKET DOLLAR RATES WERE UNCHANGED AT VN\$682/US\$1, A SLIGHT PREMIUM OVER THE OFFICIAL VN\$670/\$1 RATE. MARTIN

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